The geopolitics of COVID-19: US-China rivalry and the imminent Kindleberger trap

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Abstract

Purpose – The spread of COVID-19 is not just a health crisis. The pandemic has taken a geopolitical dimension. The health crisis amplified the competitive dynamics between the USA and China, affected the provision of global public goods and injected instability into the global order. In line with the geopolitical zero-sum thinking, both the USA and China have sought to capitalize on the crisis to boost their international profile. Instead of working together to mitigate the health and economic impacts of COVID-19, the two powers fear that the other will exploit the current situation to accrue political, economic or military gains that will give it an edge after the pandemic subsides. The spread of COVID-19 has set off a “battle of narratives,” in which China and the USA are accusing each other of failing to rise to the challenge. The world seems to be falling into a “Kindleberger Trap,” in which the established power is unable to lead while the rising power is unwilling to assume responsibility. The COVID-19 crisis is occurring amid the collapse of global cooperation. The USA, the traditional leader of international collective efforts in times of crisis, has abandoned its role entirely. The lack of leadership at the global level during an international crisis may cause the breakdown of the international order.

Design/methodology/approach – This paper examines the US-China competitive dynamics through the lens of the work of Charles Kindleberger, which both liberals and realists regard as foundational when examining the dynamics of global crisis management. This paper also uses the meta-geopolitics framework to determine the ability of both China and the USA to respond to the current COVID-19 crisis and its implications for their power and standing in the international system.

Findings – This paper concludes that the only way to escape the Kindleberger trap is “to embed Sino-American relations in multilateralism.”

Originality/value – As rivals, both the USA and China are seeking to capitalize on the crisis to boost their international profile. This paper probes how China and the USA navigated the ongoing COVID-19 crisis to determine whether or not they are currently in a “Kindleberger Trap,” using elements of the meta-geopolitics framework of analysis, namely, health issues, domestic politics, economics, science and international diplomacy. Using the meta-geopolitics framework will help us determine the ability of both China and the USA to respond to the current COVID-19 crisis and the implications of that on their power and standing in the international system.

Keywords Global governance, Geopolitics, Pandemic, COVID-19, US–China relations, Great power competition

Paper type Research paper
The geopolitics of the pandemic

Geopolitics has been associated with zero-sum behavior and geopolitical expansionism. Traditionally, geopolitics is defined as the interplay between geography and power in shaping international relations. Geography includes:

Features that are "fixed," such as location, topography, strategic chokepoints, climate and natural resources, as well as elements of human and political geography such as a country’s size, national boundaries and historical, religious and cultural sites (Al-Rodhan, 2014).

The Realist conceptualization of geopolitics has focused on the hard capacities of states to analyze the consequences of an international event. This traditional conceptualization often fails to acknowledge the multifaceted nature of modern statecraft within a global context characterized by non-state actors and de-territorialized threats such as contagious diseases and climate change. Taking into account the complexities of our world, geopolitical analysis has expanded to encompass “the broader use of statecraft and state assets (geographic, economic, military, demographic, environmental and cultural) to gain influence in international affairs (Kausch, 2015). The broader use of assets and capacities are critical in determining the state’s ability to respond to crises such as the current COVID-19 crisis, affecting its international standing, as well as the balance of power and stability in the global order.

To reflect this multifaceted nature of the modern statecraft, Nayef al-Rodhan combined seven capacities of state (social and health issues, domestic politics, economics, environment, science and human potential, military and security issues) into a wider paradigm that provides a comprehensive measure of state power in the 21st century. Al-Rodhan argues these seven capacities are critical for sustainable state power that any persistent weakness in one or more of them over a prolonged period of time will threaten the stability of the state and its standing in international politics and ultimately result in wider systemic shocks (Al-Rodhan, 2018). This “meta-geopolitics” framework accounts for “the multiple interlocking dimensions of national and international security and proposes a multidimensional view of state power comprising soft and hard power tools” (Al-Rodhan, 2018).

The importance of this holistic approach became apparent in the light of two global developments, namely, globalization and the rise of global threats that transcend state borders (e.g. pandemics), as well as the fact that the state continues to play a central role in navigating through mounting global threats. COVID-19 crisis exemplified these developments. Global interconnectedness increased the spread of Coronavirus into a pandemic. Lockdowns, mobility restrictions, stay-at-home orders, financial rescue packages and state border closings are measures undertaken during COVID-19 that underscore the central role played by the state in navigating the COVID-19 crisis. The pandemic also unveiled some of the dimensions of state power critical to its ability to respond to the crisis, namely, health-care, domestic politics, economics, science and diplomacy. Moreover, the pandemic contributed to the re-production of state power in the practices of health-care and economic policy in particular. For example, US President Donald Trump invoked the Defense Production Act in March 2020 that enabled him to compel General Motors to produce more ventilators to deal with the burden caused by increased hospitalizations amid coronavirus outbreaks (Smith, 2020). Technically, Trump had invoked the Korean War-era law, which allows the federal government to pressure the private sector into producing supplies necessary for the national defense (Haltiwanger, 2020). In the light of the limited capacity of the World Health Organization, the role and response of individual states,
namely, China and the USA, mattered immensely in mitigating the health and economic effects of the virus.

Global threats (e.g. pandemics) transformed the provision of national public goods (e.g. health) into transnational goods whose provision requires greater international coordination. As a global health crisis, COVID-19 amplified the competitive dynamics between the USA and China which affected the provision of global public goods. In line with the geopolitical zero-sum thinking, the two great powers are concerned with their relative gains. Both the USA and China are seeking to capitalize on the coronavirus crisis to boost their international profile, and hence find it hard to contribute to global public goods. The International Task Force on Global Public Goods has defined global public goods as:

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\text{[... issues that are broadly conceived as important to the international community, that for the most part cannot or will not be addressed by individual countries acting alone and that are defined through a broad international consensus or a legitimate process of decision-making (Freeman, 2020).]}
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Scholars of hegemonic stability theory stressed the importance of a dominant power willing to lead in providing global public goods (Busby, 2020). By definition, global public goods need collective action for their provision. However, due to the absence of enforcement authority on the global level, self-interested states act as free riders benefiting from public goods without sharing the costs of their provision. One solution for this collective action problem is the presence of a hegemon to supply the public goods on the global level, thus maintaining international stability because other states benefiting from free-riding will choose to reinforce, rather than challenge, the international system (Busby, 2020, p. 5).

Crisis occur when the hegemon ceases to supply necessary public goods and no other power can fill the vacuum (Freeman, 2020). Under the Trump administration, the USA has become less willing to lead and provide public goods, to the extent that during the Coronavirus crisis, no one was even looking for the USA for leadership. The world seems to be falling into a “Kindleberger Trap,” which signifies a lack of leadership at the global level during an international crisis that may cause the breakdown of the international order. Charles Kindleberger argued that the Great Depression in the 1930s was the result of the US’s failure to provide important public goods after it had taken over Great Britain as a leading power. The “Kindleberger trap” occurs when the established power is unable to lead while the rising power is unwilling to assume responsibility (Nye, 2017).

The Kindleberger argument applies to economic crises, emphasizing the functions performed by the hegemon to provide global economic stability and the benefits it gains by doing so. Nonetheless, the same argument can be extended to other types of international crises, shedding the light on the role of the global stabilizer in providing leadership for collective action against global threats.

**COVID-19 and the Kindleberger moment**

Charles Kindleberger argued that the Great Depression in the 1930s was caused by the shortage of global public goods provision when the isolationist US refrained from assuming responsibility while Great Britain lost its capability to play that role. The reality today diverges significantly from the 1930s (Zheng, 2020). Today’s world is increasingly dominated by the USA and China. This reality is what Geoffrey Garrett called the “G2 in G20,” which emerged in the aftermath of the financial crisis of 2008. Garrett asserts that “what the de facto G2 do, together, independently or in conflict will increasingly define the international order.” For the Kindleberger moment to occur, not only the old system leader is forfeiting its leadership but also the rising power does not rise up to the challenge when
summoned. The actual challenge during the COVID-19 crisis is that the USA (the established power) still enjoys superiority but refuses to assume its responsibility while the rising power is eager to play a greater role but still lacks sufficient capability (Zheng, 2020). This reality is exemplified by President Donald Trump’s “America First” doctrine. In his address to the UN General Assembly in November 2019, “Trump denounced globalism and promoted patriotism as a cure for the world’s ills.” In his speech, Trump claimed “the future does not belong to the globalists. The future belongs to patriots.” This resurgent isolationist tone contradicted President Xi Jinping’s pro-globalization speech at the annual gathering of the World Economic Forum, in which he portrayed China as a responsible global citizen dedicated to furthering international integration. In the context of Trump’s America and the looming trade war, China claims the mantle of leadership in the realm of economic globalization against what it portrays as predatory trade practices. This reality “speaks to the unforeseen, even surreal alteration of the global order in recent months” (Goodman, 2017).

Nevertheless, Joseph Nye argues that COVID-19 has shown that China has both strengths and weaknesses. He warns against a “disruptive danger,” in which China acts as a free rider like the USA in the 1930s, rather than a revolutionary power in the international order. So far, China has not tried to overthrow the international order that the USA created post-1945. China has benefitted substantially from and has been trying to increase its influence within, the western international order (Nye, 2020).

According to Carla Freeman, China has been expanding its role as a supplier of the global public good. This expansion has been a hallmark of President Xi’s foreign policy (Freeman, 2020, p. 2). China perceives its expanding role in international development, global trade and investment, as well as the Belt and the Road Initiative as providing global public goods (Freeman, 2020). Understanding China’s commitment to the provision of public goods is important in the light of the USA being not willing or able to sustain its role as the lead supplier of global public goods (Freeman, 2020).

Kindleberger believed that in performing its role, “the hegemon was as much motivated by domestic politics as external incentives” (Norrlof and Reich, 2015). Domestic political considerations play a role in partially or entirely preventing the hegemonic power from performing stabilization functions or require it to share these roles. Trump’s election reflects a widespread frustration among American voters by their country’s involvement in global affairs and a belief that the American president must put “America First” (Zheng, 2020). The same argument can apply to the rising power as well. Chen Zheng argues that the obstacles to China’s more active role in global governance come first from its domestic weakness in areas of domestic governance such as transparency. He asserts that Chinese analysts warn that China is “a developing country with pressing domestic problems and talks of global leadership is premature and ill-timed” (Zheng, 2020).

Carla Freeman addresses the question of why a rising power may be willing or unwilling to assume leadership in times of crisis. She uses a combination of domestic and international logic to explain this. After the Second World War, the USA feared that the economic situation in Europe might trigger an economic recession in the USA. Moreover, Western Europe’s alignment with the USA and away from the Soviet Union has strategic benefits for the USA. Consequently, the USA formed the basis for the post-war provision of the global public good; the Bretton Woods Institutions, the Marshall Plan for European reconstruction and NATO (Freeman, 2020, p. 7). Freeman also discusses the incentives for a rising state to shift from consumer to provider of global public goods: the state needs to perceive international stability as necessary to its own national well-being, the lack of confidence in the incumbent power to provide international stability, the rising state sees itself as capable
of providing global public goods, adequate domestic support, as well as evidence of external demand; that is state’s perception that there is international support for its role as a supplier for public goods from the incumbent stabilizer and international community (Freeman, 2020, p. 9).

Freeman argues that the new global stabilizer does not have to be inherently counter-hegemonic. Rising power may mobilize collective resources and cooperate with others including the incumbent hegemon to supply necessary public goods (Freeman, 2020, p. 8). The USA sought the buy-in and support from Britain for post-war construction. However, contemporary US-China relations cannot be compared to US-Britain relations. David Lai asserts that the US-China power transition differs in many ways from past power transitions. The USA perceives China as an adversary and that their cooperation is only a matter of convenience “based on dubious common interests and not on trustworthy common values.” The ideological differences and the lack of trust and common values will continue to trouble the relations of the two nations (Lai, 2016).

Power transition and the US-China rivalry
Theories of hegemonic stability and power transition have been built on the assumption that the USA acts as a global stabilizer in times of crisis and China acts as a free-rider or a predator waiting to challenge American leadership (Kim and Gates, 2015). Another important aspect of power transition theory is the international “system stability.” According to Organski, instability arises from challenger-hegemon dynamics, not simply the distribution of power in the international system (AFK Organski, 1958). Organski defines a challenger as a powerful nation dissatisfied with the global order (AFK Organski, 1968).

China has developed into a formidable power. The USA depicts China as an adversary due to the speed and scale of China’s resurgence, as well as their ideological differences. Sino-American relations have gone through several transformations, starting with the two decades of mutual hostility between 1949 and 1969 following the establishment of the People’s Republic of China. The USA and China aligned from 1970 to 1989 to confront the Soviet Union. In the post-Cold War era (1989–2009), China and the USA entered a complex phase with periods of tensions (over Taiwan and other issues) and times of constructive engagement. Since 2010, Sino-American relations became significantly strained with disputes over issues such as the South and East China Seas, trade, finance and intellectual property. US-led alliances and partnerships such as the Trans-Pacific Partnership (TPP), were viewed by China as America’s attempt to contain China’s resurgence. The TPP was a key plank of Obama’s administration’s “rebalance” or “Pivot” to Asia. “Strategic distrust,” i.e. mutual distrust of long-term intentions, became a central concern in US-China relations (Liberthal and Jisi, 2012). The big-power mistrust and rivalry intensified under the Trump administration, as the relations became dominated by disputes over issues such as the South China Sea, trade and 5G technology.

Power transition is “set in motion by the rise of a previously underdeveloped big nation, dissatisfied with the existing international system” (Lai, 2016). The first stage of the US-China power transition (1978–2008) was triggered by the rise of China in the US-led international system when China embarked on its modernization in 1978. Signs of China’s rising emerged in the early 1990s and were accelerated in the early 2000s. The second stage started in 2009 with the narrowing of the overall national power gap between the USA and China (Lai, 2016). China “ascended as the second-largest economy and number one trading nation in the world and an emerging frontrunner in many other world-class competitions” (Lai, 2016).
The USA developed strategic anxiety due to the speed and scale of China’s resurgence and its implications for the international order. A rising power has “the impulse to make changes, intentionally or compulsively, to the rules of the system that purportedly works against its interests” (Lai, 2016). The USA tried to manage the rising power by taking a strong stand against China all within the context of the weaning of American hegemony. Under President Xi Jinping, China has become more assertive as he was determined to “restore China’s rightful place in the world.” China has abandoned its long-practiced low-profile foreign policy and started setting the global agenda on important issues and taking initiatives in international affairs such as the Belt and the Road Initiative (BRI). China also started to play a bigger role in global governance and became more assertive on maritime disputes such as the South China Sea (Lai, 2016).

Until the Obama administration took office in 2009, the USA did not have a coherent response to China’s rising challenge (Lai, 2016). The second half of 2009 witnessed the breakout of a mini trade war between the USA and China. Obama used section 421 of American trade law and imposed heavy tariffs on Chinese imports into the USA. China responded by taking the USA to the WTO claiming that it was dumping Chicken and auto parts on the Chinese market (Garrett, 2010). The US strategic rebalance toward the Asia-Pacific was Obama’s response to preserve the US-led order in the Asia-Pacific. This is a typical response to the shift of international geostrategic power (Lai, 2016). Unlike threats like Iran or terrorism, China’s challenge is systemic. It can upset the US-led international order.

Under the Obama administration, the USA has come to the forefront to confront China. President Xi tried to reassure the USA that China has no intention to overthrow the existing international system led by the USA and that China and the USA can cooperate in a win-win mentality. However, there is no trust between the two nations nor certainty about their mutual intentions (Lai, 2016).

Under the Trump administration, the USA shifted its focus from global interests to national interest with his “America’s First” doctrine. The Trump administration applied the mindset of comprehensive confrontation in dealing with China, which has further intensified the Sino-American rivalry, dubbed as the second Cold War. Anti-Chinese rhetoric has become increasingly prominent in key strategic documents such as the US National Security Strategy (2017), depicting China as a predator or strategic competitor. The USA criticized the BRI as a “debt-trap diplomacy” that can influence the foreign policy decisions of the indebted countries leading them to vote in favor of China in international organizations (Arezina, 2019). President Xi has repeatedly criticized US protectionist measures for violating the norms of the WTO and disrupting international order. He emphasized the fact that China “is committed to building an open world economy” (Arezina, 2019, p. 308). The Trump administration shifted US-China relations toward decoupling by restricting bilateral flows of trade, investment, technology and people. China fell in the list of US trading partners from first place in 2018 to third place in 2019. The USA and China signed a trade agreement in January 2020 to end the trade war that began in 2018. According to phase one of the deal, China promised to increase its imports from the USA in exchange for rolling back some tariffs on imports from China (Kwan, 2020).

Graham Allison argued that the USA and China were falling into the “Thucydides Trap,” in which war is likely when an established power (the USA) feels threatened by rising a rising power (China) (Allison, 2017). The tensions in US-China relations can be attributed to structural factors, namely, the systemic power shift which created mutual mistrust. The United views China as a threat to its primacy in the world, while China views the USA as exerting every effort to prevent China from rising as a world power. Military power depends
on economic and technological foundations. This fact made China and the USA very sensitive about their relative wealth and scientific prowess. The massive economic and military capabilities of China and the USA set them apart from all other countries on the global stage and make them sensitive to relative advantage. Each state worries that the other’s gain might come at its expense. The two powers are locked in competition for influence around the globe (Goldstein, 2020).

**COVID-19: a geopolitical game-changer?**

Global interconnectedness increased the spread of the Coronavirus raising questions about its geopolitical consequences. The COVID-19 pandemic has exacerbated the US-China friction as they both compete for global dominance (Al-Rodhan, 2020). Fareed Zakaria asserts that:

> The Covid-19 crisis is occurring at a time when global cooperation has collapsed and the traditional leader of international collective efforts to respond to this crisis has abandoned its role entirely (Zakaria, 2020).

The pandemic has reactivated and intensified the already existing rivalry between the USA and China dubbed the Second Cold War. This rivalry threatened to undermine the “first-phase” trade deal they signed together in January 2020 and made phase-two of the trade deal highly unlikely. In the first-phase trade deal, “China committed to revamp its intellectual property protections and buy some $200bn in additional US exports over two years, in return for the USA offering some relief on tariffs” (The Japan Times, 2020). Sino-American relations have been steadily deteriorating over issues such as COVID-19, trade and the competition for military supremacy in the South China Sea.

China and the USA have engaged in propaganda warfare or a “battle of narratives” over who is the most efficient international power in responding to COVID-19. China sought to disown responsibility for the origin and the spread of the coronavirus by spreading false information and conspiracy theories. Statements of Chinese officials claimed that the US military has brought Coronavirus to China (Myers, 2020). The USA sought to pin the blame firmly on China by referring to the Coronavirus as the “Chinese virus.” The American administration used this propaganda in an attempt to distract attention from its own mismanagement of the health crisis and to highlight its superiority over China in terms of openness and transparency of its political system. On the other hand, China attempted to promote the efficiency of its political regime in containing the virus compared to its western counterparts (The Economist Intelligence Unit, 2020). Avery Goldstein states that:

> […] the US worries that favorable perceptions of China’s management of the pandemic might make others more receptive to a larger international role for China. Beijing, in turn, worries that Washington’s condemnation of its handling of the pandemic will undermine such receptivity and create a world more hostile toward China, serve to reenergize American alliances and increase the military challenges China faces (Goldstein, 2020).

Some observers argue that the COVID-19 crisis is accelerating the shift in the global balance of power from West to East and that China would emerge as a bigger global player in the context of diminishing American leadership on the global stage (The Economist Intelligence Unit, 2020). As rivals, both the USA and China are seeking to capitalize on the crisis to boost their international profile. This section probes how China and the USA navigated the ongoing COVID-19 crisis to determine whether or not they are currently in a “Kindleberger Trap,” using elements of the meta-geopolitics framework of analysis, namely, health issues, domestic politics, economics, science and international diplomacy. Using the
meta-geopolitics framework will help us determine the ability of both China and the USA to respond to the current COVID-19 crisis and the implications of that on their power and standing in the international system.

As a health crisis, the pandemic exposed the degree of preparedness of the national health-care systems. Chinese and American health-care systems were severely tested. The spread of the Coronavirus exposed the weakness of the Chinese health-care system and how it handled a major health crisis. China was criticized for being too slow to respond to early signs of the virus in Wuhan. Despite being ranked as the most prepared for a pandemic, the USA “did not ramp up capacity in hospitals or substantially boost production of medical supplies.” An initial diagnostic test designed by the centers for Disease Control and Prevention proved faulty, delaying testing for weeks and preventing health officials from having an accurate picture of the spread of the pandemic. By mid-April, the USA reports the most coronavirus cases in the world. Legislation in March 2020 made coronavirus test free. In the light of the shortages in medical supplies, president Trump used emergency powers to compel private companies to manufacture ventilators and masks (Maizland and Felter, 2020).

While the pandemic has stretched medical services around the world to a breaking point, it has helped develop China’s health-care system. The online medical service, known as telehealth, is transforming China’s health-care by reducing pressure on traditional hospitals. China has over 1,000 telehealth companies. Online health-care helped in reducing the chances of cross-infection of both patients and doctors. Baidu Health, for example, was made free for those with pneumonia symptoms during the pandemic (Campbell, 2020). As a pandemic, China has been working on fixing its health-care system by centralizing it and making better use of big data and artificial intelligence (BBC News, 2020a). China’s health-care has made vast progress over the past few decades. According to a 2019 report by the WHO and the World Bank, the public sector spending on health-care in China has increased almost 14-fold between the SARS outbreak in 2003 and the end of 2018. Moreover, nearly every Chinese citizen has some level of health insurance (Campbell, 2020).

Still, China has only 1.8 doctors for every 1,000 people, compared with 2.4 in the USA. In an attempt to boost the health sector, President Trump advocated waiving certain federal rules to allow doctors to provide care remotely using video chats, for example (Campbell, 2020). The USA spends on health-care more than any other country in the world; more than 17% of gross domestic product (GDP) and about $3.6tn a year (Hook and Kuchler, 2020). The USA has the top medical centers in the world and is leading in medical innovation. Nevertheless, the pandemic ravaged the US health-care system as hospitals faced critical shortages in cash and medical gear. The pandemic revealed some of the dysfunction and inequalities in the American health-care system. During the pandemic, there was a lack of coordination in the USA, with individual states issuing varying medical guidance and competed each other to secure protective gear. Moreover, public health authorities are separate from private hospitals, which made coordination and collective response more challenging. The Coronavirus exposed and widened the disparity between rich and poor medical institutions. The USA has high numbers of uninsured people, around 27 million Americans lack any health insurance (Hook and Kuchler, 2020).

The Coronavirus outbreak has led to greater investment in research and development to produce treatments and vaccines. It also provided opportunities to use new technologies to battle the pandemic. China has made unprecedented use of artificial intelligence to identify symptoms and monitor the spread of the disease such as disinfecting robots and thermal camera-equipped drones. Beyond robots and drones, China has mobilized its sophisticated surveillance system to trace infected individuals and enforce quarantines (Jakhar, 2020).
These new surveillance tools have raised concerns about privacy and protecting the fundamental freedoms of the citizens. Critics fear that China could use the health crisis to expand its already vast surveillance system (Jakhar, 2020).

The spread of COVID-19 has set off a “battle of narratives,” in which China and the USA are accusing each other of failing to rise to the challenge. China has been promoting its efficiency in overcoming the pandemic, compared with how slow the West was in implementing necessary measures to control infection and the messy incompetence demonstrated by the USA under the Trump administration. China appeared to be recovering from the pandemic, while the USA became its epicenter. By the end of March 2020, the USA had more confirmed coronavirus cases than Italy and China, making it the country with the largest outbreak in the world (Feuer, 2020). Likewise, the Trump administration tried to deflect blame from mishandling the crisis by pinning the blame on China for mishandling information about the outbreak and transmission of the disease in its early days. China suffered reputational damage caused by the initial opaque handling of the Coronavirus outbreak and the repression of whistle-blowers in Wuhan to conceal the presence of the disease and distance itself from the responsibility.

As an authoritarian country, China has no independent media or electoral incentives to share information. Chinese Government punished whistle-blowers, enacted draconian policies and imposed authoritarian quarantine measures. For example, China imposed a tightly regulated lockdown on Wuhan city, using its surveillance apparatus and system of social control. For example, China relied on the system of residents’ committees for each apartment block to check residents’ temperature, log their movements and oversee quarantines (Zhong and Mozur, 2020). As a democracy, the USA has the advantage of a free press and electoral accountability to improve performance in response to crises. However, the Trump administration was not receptive to hearing and acting upon warnings and information, calling the virus a “hoax” set up by the democratic party (Egan, 2020).

As such, the COVID-19 crisis shed the light on the conjunction between geopolitical competition and competing political models. It revived the debate between authoritarianism and liberalism. The Chinese model emerged as a reference to success or “victory against the virus.” China tried to capitalize on this to promote its image, status and political system (Duclos, 2020). On the other hand, the USA did not provide a counter-model to the Chinese approach to fighting COVID-19. Instead, the USA exemplified a lack of internal coordination within the USA and competition between states and with the federal government for health equipment and supplies. For example, the state of Maryland sourced COVID-19 tests directly from South Korea (Booker, 2020) and the state of Massachusetts using the airplane of the New England Patriots team to transport 1.2 million N95 masks from China (Beaton, 2020). American federalism and decentralization decreased central state capacity to implement coherent policy. In the year of the US presidential election, the Trump administration had a powerful incentive to shift blame for its failure in handling the pandemic, first by downplaying the severity of the outbreak of COVID-19, then by using the WHO as a scapegoat. The Trump administration has been trying to deflect blame from mishandling the crisis and pin the blame on China for the devastating health and economic impact of the pandemic (Shear and McNeil, 2020).

Trump’s personal inclination had a crucial impact on not only US domestic response to the outbreak but also on US diminished international leadership. Trump disdains multilateral cooperation. He sees allies as foreign countries ripping off the USA and that the USA does not get an adequate payoff from international cooperation. Trump has a neo-mercantilist, zero-sum view of the world. Under the Trump administration, the USA is using the pandemic as a new front in its great power competition with China. The USA insists that
China must be held accountable for the spread of the virus and threatened to impose new
trade tariffs on China (Mason et al., 2020).

Despite its economic and military clout, the “America First” doctrine of US President
Donald Trump has contributed to the USA retreat from the global stage. As the election of
Donald Trump, the USA is perceived as a less reliable partner. The pandemic has forced the
USA to look further inwards. China is trying to fill the vacuum created by the USA retreat
from the world stage. China has been trying to capitalize on the failure of the USA to lead in
times of crisis to raise its global profile as an indispensable global player. China appeared as
the great power that plays a role in international assistance by providing expertise and
support for countries hit hard by the pandemic (Tan, 2020). The WHO has made a push to
get all countries to support its COVAX initiative, which will make two billion doses of
vaccine available for countries who choose to join the initiative by the end of 2021 (UN
News, 2020). Trump’s decision does not to join COVAX will have serious implications for
the USA and the world (Rauhala and Abutaleb, 2020). The trump “go it alone” approach
further tarnish the US reputation as a responsible leader and reliable partner. In contrast,
China and the WHO are cooperating on China’s “Health Silk Road” initiative. China’s
support of WHO’s goal of universal health coverage by 2030 adds to China’s growing
economic and diplomatic clout (Mazumdaru, 2021).

The Pandemic has intensified the economic confrontation between the USA and China.
The COVID-19 pandemic has caused the biggest blow to the US economy, as the great
depression. The US GDP fell at a 32.9% annual rate, the deepest decline, as the US
Government started to keep records began back in 1947 (Davidson, 2020). Trump is
promising to “end our reliance on china” and Xi Jinping is promising “dual circulation,” as
China’s new economic strategy focusing more on the domestic sphere rather than reliance on
the rest of the world. China is keeping its door of investment open and at the same time
preparing for a fall-out with the USA and emphasizing self-reliance in critical sectors like
food and technology. “Decoupling” has become the new buzzword to describe the possibility
of a break-up between the USA and China. The complete decoupling is not possible because
the world remains dependent on China’s manufacturing infrastructure and China cannot
function without foreign technology. The USA and China are tied together as China is the
global “workshop” and the USA is the tech “headquarters” (Weber, 2020).

As a result of COVID-19, the shutdown of a large part of the Chinese economy had a
major effect on the supply and demand in the world economy. China, by virtue of being the
first to emerge from the crisis, was the first on the road to recovery; it has directed all its
resources to kick-start the Chinese economy. Figures show that China’s GDP returned to
growth during the period from April to June. China’s economy grew 3.2% in the second
quarter after a record slump of 6.8% in the first quarter of the year. The Chinese economy
grows quicker despite low expectations due to weak global demand. The Hubei province
lockdown led to supply shock in the first quarter of 2020 and forced countries to question
and review their dependence on the supply chains from China for vital products. There is a
growing impulse toward diversifying supply lines achieving greater national self-
sufficiency by localizing production. Moreover, as the Chinese economy starts to recover,
tensions with the USA are heating up over trade, technology, human rights and Hong Kong
(BBC News, 2020b).

Niall Ferguson confirms that the new Cold War between China and the USA has already
begun in 2019. He argues that what started out as a trade war, “rapidly metamorphosed into
a cluster of other conflicts.” The USA and China are engaged in technology war over global
domination in 5G network telecommunications and ideological confrontation over the
abuses of minority rights in Uighur, a currency war over exchange rate for the Chinese Yuan, as well as classic superpower competition for primacy and influence (Ferguson, 2020).

**Implications for international order**

Mutual vulnerabilities created by the interdependence of trade and travel should have intensified the need for cooperation between states. Some threats, like pandemics, cannot be resolved by states on their own and they create powerful demands for cooperation (Busby, 2020). Conversely, as a result of COVID-19, globalization processes have been openly criticized due to the fact that interdependence of trade and travel created mutual vulnerabilities to Coronavirus. Moreover, extraordinary or emergency powers have been granted to governments to deal with the consequences of the pandemic without significant opposition. The lack of international cooperation reinforced counter-globalization and counter-liberal ideas.

The absence of cooperation in the COVID-19 crisis is very illustrative of the rising tide of nationalism in the international order. Rivals have cooperated in the past. The USA and the Soviet Union cooperated on smallpox eradication in the midst of the Cold War. Recently, the USA and China cooperated on a range of issues from climate change to the Ebola outbreak during the Obama Administration. The US leadership was apparent in the fight against HIV/AIDS, where the USA contributed more than $90bn to global AIDS efforts and more than 70% of the global funding for HIV/AIDS (Busby, 2020). In the current Coronavirus crisis, the USA and China are concerned with relative gains and zero-sum thinking, hence they find it hard to contribute to global public goods, like global public health within the context of the absence of dominant power willing to lead in providing public goods.

The pandemic did not only reveal the absence of cooperation but also intensified great power competition. COVID-19 has reactivated and intensified already existing tensions between China and the USA. The rise of competitive dynamics affected the provision of global public goods. International assistance has been used as power projection, usually referred to as “competitive generosity” or “scorecard” diplomacy (Busby, 2020). The COVID-19 crisis altered the practice of diplomacy. China has been pursuing “mask diplomacy” in the form of shipping medical supplies to European countries to boost its image as a responsible global leader. More than 10 flights containing millions of masks headed to the Czech Republic in March 2020 (Busby, 2020). China’s pursuit of mask diplomacy in its foreign policy reflected a particular style of soft power projection in the form of dispatching medical delegations, scientific research teams to Europe (Busby, 2020). This “competitive generosity” did not lead to cooperation. Instead, it sends shock waves in international relations with possible repercussions of serious realignment. Is the crisis pushing some countries away from the USA and closer to China? China was active in delivering help to Italy. The possibility of Italy entering a deeper partnership with China should be a reason for concern for the USA and the mere fact that western countries’ alignment can be under questioning is a notable international development. As the power struggle continues, international allies become an invaluable asset (Catapano, 2020). States are using interdependence and mutual vulnerability to extract benefits for themselves rather than mutual gains (Busby, 2020).

The pandemic revealed the weakness of global governance. In the area of health, the World Health Organization (WHO) failed to predict, as well as guide and coordinate global responses to the pandemic. Initially, the WHO advocated against limiting travel with China and recommended that countries keep their borders open. WHO Director-General Tedros Adhanom Ghebreyesus commended China’s efforts to “control the outbreak” and for “openness to sharing information” about the virus (Mazumdar, 2021). This praise on China
contributed to the perception of China’s growing influence over the WHO. US President Donald Trump accused WHO of severely mismanaging the health emergency and for being “China-centric.” As a result, WA announced a suspension of its financial contribution to the WHO. China, on the other hand, has been investing in the UN system. China’s contributions to the WHO has grown by 52% since 2014 to approximately $86m (Mazumdar, 2021). China is now reaping the benefits of this investment. From the onset of the crisis, the WHO has been seen as echoing a “Chinese line” on the fight against the virus, signaling the increasing impact of China on world affairs. The WHO management of COVID-19 reflects the reality of global governance today and the limits of international organizations to act as independent actors performing functions such as pooling resources and sharing information. This limitation is related to how they are funded and their lack of enforcement powers, particularly vis-à-vis powerful states. China’s rising financial contribution to the WHO “increases its heft in world affairs at the time the USA is seen to be giving up on international organizations and cutting global health funding” (Mazumdar, 2021).

The pandemic also tested international cooperation. It revealed the lack of international convergence and the lack of a coordinated response to COVID-19 at the international level. Major powers signed agreements with pharmaceutical manufacturers to supply their own population with the vaccine before they become available to other countries. This rise of “Vaccine nationalism” has been a major concern for the WHO. Comparing the global allocation of vaccines to oxygen masks dropping inside the airplane, Trump administration officials have justified vaccine nationalism by the fact that in an airplane “you put on your own [mask] first” before helping others (Bollyky and Bown, 2020). Vaccine nationalism creates a supply problem and leaves poorer countries without access to life-saving vaccines. The WHO has made a push to get all countries to support the COVAX initiative, which will make two billion doses of vaccine available for countries who choose to join the initiative by the end of 2021. This initiative effectively “creates the world’s largest advance market commitment for vaccines, outstripping any deals countries make independently” (Kamradt-Scott, 2020). Low-income countries have signed up to the initiative, whereas, major powers refused to join. The USA opted out of the deal and China has not committed yet (Kamradt-Scott, 2020). Not only that, some countries are engaged in vaccine hoarding. For example, the UK pre-ordered enough vaccines for five doses per person (Lovett, 2020).

COVAX initiative has exposed the limits of international organizations to act as agents of convergence and collective actions. The initiative does not prevent countries from signing their own independent deals. Moreover, a commitment of two billion doses by the end of 2021 is far too small. Vaccines are global public goods that are non-excludable and non-rivalrous. Non-excludable means that one cannot prevent others from enjoying their use and benefits and non-rivalrous means that one person’s enjoyment is not at another person’s expense, i.e. the use of a vaccine in one country does not interfere with its use in another (Wolf, 2012).

The world is in dire need of global cooperation in the form of enforceable COVID-19 vaccine trade and investment agreement. A global regime for vaccine manufacturing and trade could be the result of such efforts with enforcement mechanisms and rules of accepted behavior during pandemics and global health crises. Traditionally, such global cooperation was secured through some sort of hegemonic leadership, where global leader acts despite free riders, instilling norms such as international commitment and interdependence. As a result, some global public goods have been adequate – if imperfectly – supplied. However, as we move into a multipolar era, the ability of any country to supply such leadership will be limited. The lack of leadership on the part of the majority of vaccine-manufacturing countries – including, the USA would complicate any global efforts for cooperation.
Before the spread of COVID-19, many analysts viewed China as the most likely contender to balance American power or surpass it, thus ending American hegemony. Niall Ferguson, for instance, predicted that “the 21st century will belong to China” [1]. The pandemic could accelerate the shift of the global balance of power from West to East. Scholars compare the slow-growing West and an economically dynamic East. The negative economic fallout on the economies of the USA and Europe as a result of the pandemic might be long-lasting. For example, “the extraordinary fiscal and monetary measures that these countries are taking to support businesses and households will be hard to reverse,” whereas “China and other fast-growing economies in Asia are likely to experience a faster recovery based on their underlying advantages in terms of strong investment, innovation and productivity growth” (The Economist Intelligence Unit, 2020). Therefore, the pandemic is likely to accelerate the shift in the center of economic gravity and the balance of power toward China and Asia.

Charles Kindleberger observed that the Great Depression persisted “because the international economic system was rendered unstable by British inability and the USA unwillingness to assume responsibility for stabilizing it.” Daniel Drezner argues that “the start of the Great Depression was bad, but international policy coordination failures made it worse” (Drezner, 2014). When the world leader ceases to play its role in the international system, the world becomes vulnerable to chaos and instability. We may argue that we are currently witnessing a variant of these dynamics. Fareed Zakaria argues that the Coronavirus crisis would have been manageable if it was not for the fact that the crisis is occurring “when global cooperation has collapsed” and the USA has abandoned entirely its role in leading and organizing global cooperative efforts (Zakaria, 2020). The global provider of public goods has itself become a zone for US-China strategic competition (Freeman, 2020).

Instead of working together to mitigate the health and economic impacts of COVID-19, the Sino-American rivalry escalated, injecting instability into the global order. Decoupling between the USA and China may lead to the disintegration of the world economy into trading blocs. The trend toward decoupling has been aggravated by the pandemic. The USA is alarmed by its excessive dependence on imports from China not only for consumer goods but for medical supplies as well. A protectionist America (the hegemon) has retreated to an isolationist foreign policy, distanced itself further from international organizations and stripped itself away from taking the responsibility of global public goods. In the middle of the pandemic that is projected to shake the global economy, President Trump announced the halt of US funding to WHO that he criticized as being China-centric (Kwan, 2020).

While China (the rising power) is not ready to fill the power vacuum of global leadership despite the fact it has the interest, capacity and domestic and international political support to contribute to the provision of global public goods. President Xi sought to give China “a greater role in shaping world affairs” and promote the role of China “as a source of international stability” (Freeman, 2020, p. 14). Nevertheless, China’s contributions to global governance are selective with negative consequences. For example, China is accused of ignoring the reporting obligations of the emergence of COVID-19 to the WHO and not paying enough to the organization while the USA pays $400m annually (BBC News, 2020c).

China supplies public goods that maximize its interests while constructing new models for their provision. China increased its contribution to existing international institutions and launched new initiatives to fill perceived “deficits” in international public goods provision (Freeman, 2020, p. 15). China’s led initiatives like Asian
Infrastructure Investment Bank could contribute to the destabilization of the established system. China’s discourse on the provision of global public goods is “infused with revisionist overtone.” A CASS publication asserts that “international organizations under the Bretton Woods system have been stamped with Western-Centric ideologies and neoliberalism. Therefore, China should inject a new driving force for global governance” (Freeman, 2020, p. 16). China’s behavior can be associated with a system challenger, not a stabilizer.

**G2 framework for global leadership**

The global order cannot function efficiently without the sufficient provision of global public goods from powerful states (Zheng, 2020). Chen Zheng summarized the incentive-capacity imbalance in both the USA and China in terms of international public goods provision as “the established power still enjoys power superiority but refuses to assume its responsibility while the rising power is eager to play a greater role but still lacks sufficient capability” (Zheng, 2020). He asserts that domestic weakness, in terms of domestic governance, should not stop China from acting more constructively in global governance and the USA should return to the multilateral track (Zheng, 2020).

Hegemonic decline and the rise of multipolarity could contribute to less cooperation among states. However, John Ikenberry insists “that the liberal international order has proven resilient in the past decade despite rising powers, financial crises and state disputes (Ikenberry, 2011). Instead of focusing on a state-based explanation of international stabilization, Daniel Drezner argues, existing global governance structures can accommodate shifts in the distribution of power and provide global public goods (Drezner, 2014, p. 156). In terms of the functioning of global institutions during times of crisis, Drezner discussed the role of stabilization played by global governance institutions in the 2008 financial crisis (Drezner, 2014, p. 153). He argued that “the system worked.” Despite the initial shock, he asserts, “global economic governance responded quickly and robustly” (Drezner, 2014, p. 124).

Carla Norrlof and Simon Reich challenged the assumptions of Kindleberger that one system leader is needed for global stabilization in times of crisis and that other powers act as free-riders or predators waiting to challenge the hegemon. They focused on the dynamics of a two-actor stabilization system, in which two states act as stabilizers without explicit cooperation. They studied several crises including the Great Recession of 2007–2009 and they discovered that the stabilization functions were shared between the USA and China (Norrlof and Reich, 2015).

The only way to escape the Kindleberger trap is “to embed Sino-American relations in multilateralism.” Garrett argues that “involving other countries offers a potential dampener to bilateral tensions.” The G20 can provide this forum for global governance, which can embody China’s great power status without asking China to play a global role it is not yet ready to embrace. G20 provides a forum for recognizing China as “a global power in a non-threatening forum” combining established and emerging powers. G20 allows China to play a leading role in providing global public goods. The G20 can act as a steering committee above other global governance institutions directing their actions. Garrett argues that “nesting the de facto G2 in the de jure G20 is the best hope for managing China-US tensions” (Garrett, 2010).

Previously, the USA welcomed the growing role of China in supplying global public goods. China and the USA cooperated bilaterally against international terrorism after 9/11. The USA praised China’s stabilizing role in the global financial crisis in 2008. The
USA and China participated in the joint anti-piracy operation in the Gulf of Aden. Obama also sought an agreement to work with China on climate change. These examples could be seen as burden-sharing (Freeman, 2020, p. 15).

Frustrated by American unpredictability and unwillingness to succumb to the strategic gridlock between the two great powers, other powers may play an important role in adapting the global order to contemporary realities. President Immanuel Macron of France has been attempting to revive the G20. Germany and France initiated an “Alliance for Multilateralism” in April 2019, which includes:

Countries that are convinced that multilateralism founded on respect for international law is the only reliable guarantee for international stability and peace and that the challenges we are facing can only be solved through cooperation.

This informal alliance aims to support and strengthen existing international organizations to meet daunting global challenges (Von Loringhoven, 2020).

Conclusion
The Coronavirus pandemic has exacerbated already existing geopolitical trends, in particular, the rivalry between the USA and China dubbed as “the second Cold War.” The pandemic has intensified their concerns about their relative power, highlighted their interdependence and instigated a repositioning toward “decoupling.” This geopolitical trend is threatening the erosion of the mutually beneficial economic and scientific interdependence that helped keep US-China rivalry within bounds. Now the two powers fear that the other will exploit the current situation to accrue political, economic or military gains that will give it an edge after the pandemic subsides.

Unlike the old Cold War, where the USA and the Soviet Union created competing globalizations and divided the world into separate economic blocs, today’s big rivals (the USA and China) are tied together as one “Chimera,” with their mutual relations at the heart of world economy and global stability (Weber, 2020). According to Henry Kissinger, former US Secretary of State and the one credited for rapprochement between the USA and China, “there is always a solution because peace and well-being of the world will depend on the success of US-China relations” (Arezina, 2019).

So far, the pandemic has been revealing the fragmentation and decomposition of the global order and accelerating the shifting power dynamics in the contemporary world order, namely, the weakness of global governance and solidarity and the shift in the balance of power from West to East. However, the pandemic could provide the much-needed trigger to usher in a paradigm shift in world politics. The scale of the crisis should lead to the rehabilitation of international institutions and international cooperation and discredit populist approaches. The global challenges, from pandemics to climate change, continue to mount and will necessitate Sino-American collaboration to work together on issues of global concerns. After the US elections, a window of opportunity might open for a careful renegotiation of the Sino-American relations, which is central for world prosperity and stability. Turning antagonism into cooperation between the USA and China is needed to overcome the COVID-19 crisis and the looming Kindleberger trap.

Note
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